

PRESS RELEASE

House Armed Services Committee Bob Stump, Chairman

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CONTACT

Ryan Vaart

Meghan Wedd

(202) 225-2539

OPENING STATEMENT OF CHAIRMAN BOB STUMP AT POSTURE HEARING ON FY 2002 DEFENSE BUDGET

Today, the committee is pleased to welcome back the Secretary of Defense and the Chairman of the Joint Chiefs of Staff to testify on the Administration's defense budget request for fiscal year 2002.

Mr. Secretary, it has taken a long time to arrive at this point, but we are finally here. Unfortunately, there are only three months left in the fiscal year, which places a premium on rapid action.

I remain supportive of your effort to conduct a comprehensive strategy review before proceeding with any fundamental change in the current strategy, force structure and programs of the Department. I believe this approach is long overdue and I am hopeful it will provide a better blueprint for equipping our armed forces to deal with the challenges of the 21st century. Resources must flow from strategy, not the other way around. I commend you and the President for recognizing that fact. Unfortunately, the prior Administration too often put the cart before the horse.

Let me also thank you for sharing with the committee the results of the numerous defense studies you have initiated as part of the larger strategy review. We have already been briefed on several of these studies and look forward to learning about the rest and, in particular, about your decisions regarding their conclusions. We are also eager to learn how they are factoring into the Quadrennial Defense Review.

That said, several points need to be made.

First, we are holding today's hearing very late in the process. The months-long delay in getting a budget proposal from the Administration has forced the committee and Congress to work at a greatly accelerated pace if we are to complete our work by the start of the fiscal year on October 1.

Second, I commend the Administration for acting on its conviction that increased defense spending is necessary. The President and the Secretary of Defense have both been clear on this point.

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The Administration's proposed level of defense funding represents the largest increase since the mid-1980s. In real terms, it reflects an increase of approximately 7 percent over this year's level. I believe this increase is long overdue. However, I am concerned that the level of resources being proposed for defense will not sufficiently address all of the readiness, modernization, and quality of life shortfalls that currently exist.

In particular, I note that the procurement request represents a slight decrease over the enacted fiscal year 2001 level. General Shelton, I would be interested in your most recent views regarding the level of annual procurement funding required to maintain existing military capabilities.

Last year, the committee heard from a variety of former Administration officials and outside experts who testified that the defense budget was severely underfunded - by as much as \$100 billion, according to some estimates.

Third, while the Administration's proposed budget amendment deals solely with fiscal year 2002, it is important for the committee to understand how this request relates to the Department's long-term plans to restructure America's armed forces.

As I understand it, the proposed approach will not address out-year spending and program priorities until after the completion of the QDR and not until fiscal year 2003. For this reason, the budget request before us would seem to represent more of a "placeholder" budget than a significant change of direction or movement toward defense transformation. Unfortunately, the window of opportunity for necessary defense budget increases in the future may be rapidly closing.

In sum, I would reiterate that the Administration's budget request is a welcome strong step in the right direction. However, additional resources, sustained over time, will be required to fully restore the health of our armed forces.

Mr. Secretary, I look forward to today's presentation and to working with you in the weeks ahead to move this process forward as rapidly as possible.

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